

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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In Reply To:

5420/4000(923)P

October 31, 2005

EMAIL TRANSMISSION – 11/01/05

Instruction Memorandum No. MT-2006-008

Expires: 9/30/07

To: Field Managers

From: Deputy State Director, Division of Resources

Subject: Update of Montana/Dakotas Minimum Price List for Forest and Vegetative Products

Program Area: Forestry and Range

Purpose: This minimum forest and vegetative product price list updates the October 22, 2004 list. The list shows both hundred cubic feet (CCF) and thousand board feet (MBF) pricing schemes along with their average conversion factors. Advertised and negotiated sales involving sawtimber or pulpwood should be made using the MBF measurement method. The conversion factors for sawtimber may also change as we accumulate more cruise conversion information.

A minimum pricing schedule is also included for biomass, other forest and vegetative products such as posts, poles, Christmas trees, berries, transplants, hay, etc. These are minimum prices. No attempt is being made to establish a maximum price for any vegetative product. The local forest/vegetative products appraiser may establish a higher price for any product when based on a local market appraisal. The appraiser may determine this value by using 10 percent of the local market selling price for the product, a comparative product sale, or the statewide minimum price, whichever is greater. This appraisal must be documented in the official case file for the project.

Policy/Action: Forest and vegetative product sales, including biomass, where the total value of the sale is \$2,499 or less, may be made using the Vegetative or Mineral Material Negotiated Cash Sale Contract (Form 5450-5). (This form may not be used for any stewardship contracting authority projects.) This is a cash sale contract and must be paid in full prior to issuance of the contract. Installments, payments, or bonding are not permitted with this form. The minimum amount for each transaction using the 5450-5 contract is \$20.00. The minimum amount for the Joint Forest Service/Bureau of Land Management Fuelwood permit is \$10.00. The Authorized Officer may determine when it is appropriate to collect road maintenance fees on sales of forest or vegetative products, including biomass, when using Form 5450-5. When collected, the minimum road maintenance fee will be 10 percent of the total value of the product(s) being sold. This figure will be rounded to the nearest whole dollar. For example: If you sell 50 line posts valued at \$25.00, then you would add \$3.00 for road maintenance (10 percent of \$25.00 = \$2.50, rounded to nearest whole dollar = \$3.00). The total contract price would be for \$28.00 (\$25.00 for the product plus \$3.00 for road maintenance). Fees collected for road maintenance should be deposited to the 9120 account.

Timeframe: Effective immediately.

Budget Impact: Will reduce the time associated with issuance of small special forest product permits. Authorized Officers may use the minimum price listing schedule as a basis to sell forest products when no better market data exists.

Background: The existing Instruction Memorandum (IM) MT-2005-004 did not provide a minimum pricing schedule for biomass. This memorandum updates the information contained in IM MT-2005-004 to reflect direction from the Washington Office on biomass utilization.

Manual/Handbook Sections Affected: 43 CFR Subpart 5400 – Sales of Forest Products and 43 CFR 8365.1-5 Property and resources. This instruction memorandum provides for establishment of a minimum acceptable price schedule for commonly used forest products from Montana/Dakotas forest and range lands.

Coordination: Butte, Lewistown, and South Dakota Field Offices were contacted to see if there would be any adverse impacts to field operations through the proposed changes to IM MT-2005-004. None were identified. Coordination has occurred with the United States Forrest Service (Region 1) to ensure consistency of pricing of products where possible.

Contact: If you have questions pertaining to the sale of forest products, please contact Bill Hensley at (406) 896-5042.

Signed by: Randy D. Heuscher, Acting

Authenticated by: Merry Prestridge (MT923)

1 Attachment

1-October 2005 Forest/Vegetative Product Minimum Price List (3 pp)

Distribution

SOMT - 1

Asst. FM Havre - 1

Asst. FM Glasgow - 1

5420 - Preparation For Sale
Montana State Office
Forest/Vegetative Product *Minimum*^{1,6} Price List - Montana/Dakotas - October 2005

<i>Minimum Price</i>				
Product²	Unit of Measure CCF	Unit of Measure MBF	Conversion Factor Bf/Cf⁴	Conversion Factor Cf/Bf⁴
Sawtimber ³ - (Live)	\$14.00	\$35.00	4.0BF/1CF	.25CF/1BF
Sawtimber ³ - (Dead)	\$8.00	\$20.00	4.0BF/1CF	.25CF/1BF
Pulpwood	\$0.80	\$2.00	---	---
<i>Conversion: (1,000BF = 250CF) or (1MBF = 2.5CCF)</i>				

Product²	Unit of Measure	Minimum Price	Dimension	TSIS Conversion Factor Bf⁵	TSIS Conversion Factor Cf⁵
Fuelwood	Cord	\$5.00	4'x4'x8'	500	81.6
Corner Posts	Number	\$1.00	8"x8'	10	2.5
Line Posts	Number	\$0.50	6"x7'	7	1.7
Corral Poles	Number	\$0.50	16'	8	1.9
Fence Stays	Number	\$0.10	2"x5'	1	.2
Tepee Poles	Number	\$0.50	4"x16'	3	.7
Grape Stakes	Number	\$0.10	2"x7'	1	.2
Biomass	Ton	\$0.01	2000 lbs	---	---

Joint FS/BLM Fuelwood permit (Multi-Agency/Vendor Permit) minimum purchase amount is two cords (\$10.00) @ \$5.00/cord. This joint permit is valid only on PD/LU lands located in Coeur d' Alene, Cottonwood, Missoula, Butte, Dillon, and the Lewistown Field Offices (excluding the Havre field station) and on Forest Service lands located in the Northern Region (R-1). Contact should be made with your local Forest Service Office to see if they have increased their local Fuelwood permit purchase price. If they have, you should adjust your Joint fuelwood permit price accordingly.

The Joint FS/BLM Fuelwood permit is for *Personal Use only*. Do not use this permit for commercial fuelwood requests. Record all transactions using the Joint FS/BLM Fuelwood permit in our TSIS program.

Forest/Vegetative Product *Minimum*^{1,6} Price List - Montana/Dakotas – October 2005

Product	Unit of Measure	Minimum Price	Dimension
Christmas Tree (BLM Personal Use Permit & Joint FS/BLM Permit)	Number	\$3.00	≤ 18' Tall
Christmas Trees (Commercial) (6 Trees = 1 Bale for \$3.00)	Number \$.50/Tree	\$3.00	6 Trees 2' - 5' Tall
Christmas Trees (Commercial) (3 Trees = 1 Bale for \$3.00)	Number \$1.00/Tree	\$3.00	3 Trees 6' - 11' Tall
Christmas Trees (Commercial) (1 Tree = 1 Bale for \$3.00)	Number \$3.00/Tree	\$3.00	1 Tree 12' - 18' Tall

Minimum Purchase Price for a Commercial Christmas Tree Permit is \$60.00

Dry Cones, All Species (Commercial)	Bushel	\$0.50	10"x10"x21.5"
Boughs (Commercial) <i>Minimum</i> permit purchase of \$20.00 for a standard pickup load (4'x8' box, not piled above the top of the bed, 2' deep).	Pound	\$0.05	6-7 lbs./cu.ft.
Mushrooms (Commercial)	Pound	\$0.25	2 lbs/gallon
Huckleberries (Commercial)	Pound	\$0.10	5 lbs/gallon
Wildings/Transplants (Personal Use/Commercial)	Each	\$1.00	< 2' Tall
Wildings/Transplants (Personal Use/Commercial)	Each	\$2.00	2' - 4' Tall
Wildings/Transplants (Personal Use/Commercial)	Each	\$4.00	5' - 9' Tall
Wildings/Transplants (Personal Use/Commercial)	Each	\$6.00	10' - 13' Tall
Wildings/Transplants (Personal Use/Commercial)	Each	\$10.00	14' - 20' Tall
Hay - Generic, Alfalfa, etc.	Ton	\$10.00	2,000 lbs/ton

No Permit or Contract is required for the following Personal, Non-Commercial Uses of renewable resources. (43 CFR 8365.1-5) This section allows for the collection of reasonable amounts of commonly available, renewable resources such as flowers, berries, nuts, seeds, cones and leaves for noncommercial use. The following table establishes the reasonable quantities for each product.

<u>Special Forest Product</u>	<u>Unit of Measure</u>	"Personal Use Only" Reasonable Amount per <u>Person per</u> <u>Year</u>
Berries - All Species	Gallons	5 per Species
Cones - Ornamental	Bushels	2
Cones - Seed	Bushel	1
Greenery	Pounds	25
Moss	Pounds	25
Mushrooms - All Species	Gallons	5 per Species

Forest/Vegetative Product Minimum Price List - Montana/Dakotas – October 2005

¹ Several Field Offices have noted that their current index price for forest products is higher than the minimum price list. No attempt is being made to establish a maximum price for any forest product. The Local forest products appraiser may establish a higher price for any forest product when based on a local market appraisal. These minimum prices may be used when no better market data is available. Field Offices experiencing strong demands for forest products should appraise those products to establish their local fair market value.

² Minimum Prices for these products applies to both Personal and Commercial Uses. Biomass is in Green Tons, approximately 40% moisture content.

³ Includes sawtimber, houselogs, mine timbers, ties, large and small poles.

⁴ These factors are the average conversion factors and are based on limited long form timber sale contract data. These may change as more timber sale data becomes available. The conversion is $1 \text{ MBf} = 2.5 \text{ CCf}$ or $1000\text{Bf}/4.0 = 250\text{Cf}$. This conversion factor may be used when an actual cruise conversion is not available.

⁵ These factors are from the Timber Sale Information System and are the standard BLM conversion factors for the listed products. This conversion is $1000 \text{ Bf} = 163 \text{ Cf}$ or $1000\text{Bf}/6.13 = 163\text{Cf}$. (This conversion factor is to be used for all vegetative sales utilizing form 5450-5a.)

⁶ All forest products will be sold at or above the State Minimum Price listed for that product. Exceptions to this may occur on a case by case basis when the authorized officer determines and documents in the official case file that the net positive benefits to other resources such as forest health, recreation, wildlife, watershed, etc., will occur and that existing forest productivity will not be degraded.